

# INCOME TAX WITHHOLDING INFORMATION

## For Emergency Firefighters

### What's New?

Effective January 1, 1999, the Internal Revenue Service (IRS) requires that federal and state income tax be withheld from emergency firefighter (EFF/casual/AD, any emergency hire under the AD pay plan) wages. In the past, no federal income tax was withheld. This often resulted in an unanticipated tax burden for the emergency firefighter when filing year-end tax returns.

All emergency firefighters will be provided the opportunity to complete federal and state income tax withholding forms. It is each emergency firefighter's responsibility to insure the appropriate forms are completed and presented to the local hiring unit:

1. **Withholding Allowance Certificate (W-4)** *File a W-4 to ensure the correct federal income tax is withheld from your pay check. If you do not file a W-4, federal income tax will be withheld at a default tax rate that is based on "single" marital status with zero withholding allowances. This is the highest withholding rate.*
2. **Earned Income Credit Advance Payment Certificate (W-5)** *File a W-5 to claim Earned Income Credit (EIC). EIC reduces the amount of federal income tax you will owe. You must meet eligibility requirements (annual salary and qualifying child).*
3. **State Income Tax Withholding Forms** *State income tax withholding forms are filed to ensure the correct state income tax is withheld from your pay check. If you do not file a state income tax withholding form, state income tax will be withheld based on the state in which you were hired. Emergency firefighters may request income tax be withheld from a state other than where they were hired by filing the appropriate state income tax withholding form.*

### When and Where Should I File Federal and State Income Tax Withholding Forms?

You can file federal and state income tax withholding forms with your local hiring unit during pre-season training, physical fitness testing, or at the time of hire. Your local hiring unit will establish dates for preseason training and physical fitness testing.

### What if I Don't File Either Federal or State Income Tax Withholding Forms?

You will not be penalized or prohibited from being hired as an emergency firefighter if you do not file these forms. However, you will be taxed at the highest (default) rate for both federal and state income taxes. If your personal tax situation requires a different filing status than the "default" rate, you should file the appropriate forms.

### Can I Change My Income Tax Withholding Status?

Yes. Individuals may change their withholding status at any time during the calendar year. The new withholding status becomes effective when completed forms are received by the Payment Office. Withholding status is not retroactive; you will not receive reimbursement from income

taxes previously withheld.

**The State I Live In Does Not Have A State Income Tax. Do I Still Need to File a State Tax Withholding Form?**

No. If you live in a state that does not have a state income tax, no form is required. The payroll system will default to the “hired at” state, and no state income tax will be withheld. The following states do not have a state income tax:

Alaska	Florida	Nevada	New Hampshire	South Dakota
Tennessee	Texas	Washington	Wyoming	

**Where Can I Get More Information or Obtain Forms?**

You can obtain federal income tax withholding forms from your local IRS office or from the IRS web site on the Internet at [www.irs.ustreas.gov/prod/forms\\_pubs/](http://www.irs.ustreas.gov/prod/forms_pubs/)

You can obtain state income tax withholding forms at your local state tax office or from the state web site link found at the IRS web site.

You can obtain more information regarding federal and state income tax withholding for emergency firefighters from your local hiring office or from the Internet at <http://fire.ak.blm.gov>

**Do I Have To File New Income Tax Forms Each Year?**

W-4	A new W-4 must be filed <u>if you claim exemption from federal income tax.</u>
W-5	A new W-5 must be filed each year to claim Earned Income Credit.

State Forms	State income tax laws vary. Refer to the appropriate state tax form , your local state tax office, or the Internet web site address.
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**How Are Taxes Withheld From My Paycheck?**

The payroll program withholds taxes based on the information you provide on the W-4, W-5, and state income tax forms.

Payrolls are processed at the end of the incident or the end of the period of hire. The payroll program computes taxes using the IRS formula on biweekly wages (1-14 days worked) or monthly wages (15+ days worked) . The biweekly/monthly wages are computed as if they were annual earnings, and the appropriate tax is withheld.

**How Will I Know How Much Tax Is Withheld From My Paycheck?**

You will receive an Earnings Statement with each check. The Earnings Statement includes current and year-to-date payroll and withholding information.